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Diffusion, modification and sedimentation of institutional elements in government accounting change: Finland in a comparative perspective during three decades since 1980

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Abstract: The purpose of this paper is to examine conceptual changes of government accounting in Finland in 1980–2009 with certain comparisons to the UK, Italy and Austria. The analysis applies ‘public administration’, ‘new public management’ (NPM) and ‘public governance’ as ‘umbrella concepts’ for examining government accounting. The results indicate Finland as a vigorous reformer although more reluctant to explain its reforms in NPM terms than the comparison countries. The ultimate conclusions of the paper outline for the examination of government accounting for the better acknowledgement of the political and ideological aspects of its conceptual changes.

Keywords: conceptual change; ideological change; new public management; public administration; public governance; public sector accounting.

Biographical notes: Pertti Ahonen is since 2010 Professor in Political Science/Administrative and Organizational Research, University of Helsinki, Finland; in 1990–2010 he was Professor in Public Sector Financial Management and Public Sector Accounting, University of Tampere, Finland.

1 Introduction

The foremost purpose of this paper is to outline a study on conceptual change in government accounting in Finland during three decades since 1980 and to report the results with comparisons to the UK, Italy and Austria examined in an earlier study (Hyndman et al., 2013). The secondary

purpose is to outline, in the paper conclusion, analysis that better acknowledges the political and ideological aspects of conceptual change in government accounting. The theoretical framework to pursue the foremost study purpose combines influences from neo-institutionalist research of the sociological variety widely applied also in accounting research (Peters, 2011; Jacobs, 2012) and the analysis of conceptual change in the public sector including public sector accounting (Pollitt & Bouckaert, 2011; Hyndman et al., 2013). For pursuing the secondary study purpose the impulses derive from the approach to political ideologies elaborated by Freeden (2008).

A first specific research question concerns the conceptual orientations and their changes within Finland's government accounting during the thirty-year period under investigation since 1980. The answers to the question will be sought with an interpretative empirical analysis of vocabulary elements that express three 'umbrella concepts' acknowledged in earlier studies, 'public administration' (PA), 'new public management' (NPM) and 'public governance' (PG) (Pollitt & Bouckaert, 2011; Fattore et al., 2012; Lodge and Gill, 2011; Hyndman et al., 2013). A second specific research question concerns the co-occurrences of vocabulary elements with the effect of institutional 'sedimentation' (Soin & Huber, 2012) or 'layering' (Hyndman et al., 2013). A third specific research question asks about the relationships of the three 'umbrella concepts' of PA, NPM and PG and the respective three types of vocabulary elements with particular political ideologies, including what Freeden (2008) calls the 'core' constituents of the ideologies on the one hand and their constituents that are 'adjacent' or 'peripheral' on the other.

The subsections of the next section specify the theoretical approach, the research design, the research techniques, the research material and the institutional context of government accounting in Finland. Subsequently, the empirical analysis section examines the conceptual orientations of government accounting and their sedimentation or layering in Finland during three decades since 1980, including comparisons with the UK, Italy and Austria. The last section offers a brief summary and outlines the future examination of conceptual change in government accounting with better acknowledgement of the political and ideological characteristics of the change.

2 Approach, methodology, and institutional outline

2.1 Combining neo-institutionalist research and the analysis of conceptual change, with possible continuation towards the study of political ideological change

The neo-institutionalist group of research orientations started evolving in the late 1970s. Since those days many of their representatives have pursued studies on what they call 'models' and 'scripts'

introduced as new elements of institutional structures and procedures or as their revisions, and on the modification and the possible ultimate sedimentation of the elements in their actual uses (Meyer & Rowan, 1977; Peters, 2011; Soin & Huber, 2012). Also since its advent (Meyer & Rowan, 1977), neo-institutionalist research examines if besides enhancing what can be called ‘formal rationality’ (such as efficiency, performance, or effectiveness in attaining objectives), institutionalization may simultaneously or alternatively try to contain uncertainty by the means of the adoption of models and scripts aimed to support institutional legitimation (Dirsmith et al., 2000).

Neo-institutionalist research has amply analyzed how the diffusion of institutional elements may drive towards homogenization (Modell, 2009; Judge et al., 2011); however, characteristically this is only a tendency instead of the likely ultimate outcome because of the intermingling influence of the context comprising the institutional elements that have achieved solid sedimentation earlier. Pollitt (2002) has distinguished four degrees of strength in institutionalization, ‘talk’, ‘decisions’, ‘practice’, and ‘results’. Neo-institutionalism suggests the interpretation of these in the light of what it calls ‘coupling’. ‘Tight coupling’ may prevail, for instance, between the accounting required by governments and investors and the legal or other sanctions that ensue towards those who fail to comply. Alternatively, institutional ‘decoupling’ (Meyer & Rowan 1977) or ‘loose coupling’ (Bromley & Powell, 2012), may obtain, for instance, between legitimating ‘talk’ on the one hand, and ‘decisions’ taken in order to ground ‘practice’ that would lead to ‘results’ on the other (Carlin & Guthrie, 2003; Anessi-Pessina & Steccolini, 2007; Christiaens, Reyniers & Rollé, 2010).

Both informed outsiders to neo-institutionalism (Clegg, 2010) and critically minded neo-institutionalist insiders (Suddaby, 2010) have suggested that neo-institutionalist research needs improvement in order to be better able to ground the examination of institutional change. Some neo-institutionalist scholars and certain others have looked at directions that have come to impregnate their examination with characteristics more typical of political analysis. They have moved the analytic focus upon the actual actors’ use of persuasive language while they try to accentuate the strengths and devalue the weaknesses of what they prefer and, respectively, to devalue the strengths and accentuate the weaknesses of what they oppose. Occasionally those taking this ‘rhetorical turn’ have acknowledged the relevant classical heritage of examining those ‘figures of thought’ by the means of which language users try to attain what the tradition calls rhetorical ‘redescription’ of their topics as they try to further the ends of persuasion they are pursuing (Aristotle, 2006; Quintilian, 2001; Skinner, 2008; Skinner, 2009). Examples of studies having taken a turn in the direction outlined can be found within the examination of corporate governance (Meyer & Höllerer, 2010), corporate takeovers (Brennan et al., 2010), managerial ideologies (Costea, Crump & Holm, 2006), accounting principles (Bratton & Cunningham, 2009;

Richardson & Eberlein, 2011), and public sector accounting (Heidhues & Patel, 2012). Each of those studies is the more relevant for this paper the more it has accentuated the political ideological characteristics of institutional and conceptual change.

The examination of institutional and conceptual change in government accounting taken place with the mediation of successful persuasion or other related means does not suffice alone. It is not enough only to categorize vocabulary elements according to ‘umbrella concepts’ such as ‘public administration’, ‘new public management’ and ‘public governance’, as has been done in earlier studies (Pollitt & Bouckaert, 2011; Fattore et al., 2011; Hyndman et al., 2013) and will be done in this study. Mere reliance on such analysis may lead to substandard analysis because of the ignorance of the possible political ideological characteristics of the ‘umbrella concepts’, their actual uses and their actual effects. This why the ultimate conclusion of this paper outlines the future examination of the ‘core’, ‘adjacent’ and ‘peripheral’ constituents of political ideologies (Freeden, 2008) that bear possible relevance for examining government accounting and its changes.

2.2 Methodology

A methodological aim of this paper comprises transcending the small-country confines of Finland both with the selection of approaches of broader relevance and with the pursuit of inter-country comparisons. In its formal outline, the division into three ‘umbrella concepts’ applied in this study finds counterparts in previous studies (Pollitt & Bouckaert, 2011; Fattore et al., 2012; Hyndman et al., 2013; see also Table 1). According to Peters (1998), comparative studies may seek for either similarities, differences or both in some combination. Although this paper looks for differences between countries, these can be seen rather to comprise different degrees of similarity than fundamental differences in kind.

Table 1 about here

The technical procedures applied in this paper correspond or bear close resemblance with those applied in the study by Hyndman et al. (2013) on the UK, Italy and Austria. In this paper the research material derives from three principal sources. One is Finland’s official national collection of legal acts passed by Parliament and statutes passed by Government. Another includes the Acts of Parliament with the Government Proposals to Parliament for new legislation. The third source comprises the Acts of Parliament with Select Committee reports and with the minutes of Parliament floor readings and debates. The material came to cover 16 all-new acts and statutes passed during

1980–2009 and 66 revisions and amendments to those or other acts and statutes. Following Hyndman et al. (2013), this study uses ‘paragraphs’ of documents or a non-standardized unit while recording co-occurrences of words under the ‘umbrella concepts’ of public administration (PA), new public management (NPM) and public governance (PG). The recording of keywords builds upon the framework presented in Table 1. ‘Solo coding’ was applied (Saldaña, 2009). This rules the conventional measurement of inter-coder with Cronbach’s alpha coefficient; therefore reliability was evaluated by looking for possible persistent patterns in the empirical results for Finland as such and in comparison with the UK, Italy, and Austria.

This paper applies ‘paradigmatic coding’ according to patterns of words organized around central concepts (Saldaña, 2009), or the same method as Hyndman et al. (2013) use in their analysis for two of the three countries they study, or the UK and Italy. This paper reports the results of straight counts of numbers of words falling under the ‘umbrella concepts’ of PA, NPM and PG, and also accounts for the *tone* of the words under the ‘umbrella concepts’, positive (PA1, NPM1, PG1), or negative (PA2, NPM2, PG2) (see Loughran & McDonald, 2011; Bozanic et al., 2012; Hyndman et al., 2013). Each occurrence falling into any of the six types was counted, however many were present in a paragraph examined. The results are analyzed below with the support of Table 3.

Following Hyndman et al. (2013), each co-occurrence of words was counted only once for each paragraph where found. It was possible to compare only those types of sole occurrences and co-occurrences reported in Hyndman et al. (2013) with those in the material on Finland. The magnitudes of the five types of co-occurrences and the three types of sole occurrences examined are analyzed below and summarized in Table 4. Following Fattore et al. (2012) and Hyndman et al. (2013), the table also indicates the ‘normalized counts’ of the five types of co-occurrences (PA1/NPM1, PA1/PG1, NPM1/PG1, PA1/NPM1/PG1 and PA2/NPM1), calculated by dividing the number of the instances of each type of co-occurrence or sole occurrence with the total number of instantiations of the word type (PA1, NPM1, PG1 or PA2) which was present in the lowest numbers in the very type of co-occurrence in question (Table 4).

2.3 Finland’s suitability as a country to analyze: a concise institutional outline

Finland’s characteristics accentuating its suitability for analysis include a small population of merely 5.4 million and, despite two official languages, Finnish (the idiom of over 90 per cent) and Swedish (the idiom of 5 per cent), remarkable ethnic unity. The predominance of the Finnish language in Finland contributes to making the country resemble a ‘laboratory’ of political and social experimentation because of the isolation arising from the lack of mutual comprehension

between Finnish and any other language to note. Finland is also quite a unitary country without regional self-government unlike Sweden, Norway and Denmark, for instance. Furthermore, Finland is politically a stable country; during the thirty years under investigation since 1980 its governments characteristically stayed in office the entire electoral period of four years. Against the background of the contextual stability the remarkable changes in government accounting taken place in Finland in 1980–2009, emulating the path of the UK, accentuate Finland as a study object that transcends the empirical small-country confines (Table 2). Notably, Finland also stands out as a bold enough country to decline adopting widely spreading global accounting standards on the conclusion that these are not good enough (Oulasvirta, 2013).

Table 2 about here

3 Conceptual change of government accounting in Finland, with comparisons to three other countries, 1980–2009

3.1 Basic conceptual changes

In 1980–2009 the prevalence of vocabularies under the ‘umbrella concepts’ of ‘public administration’ (PA1, PA2), ‘new public management’ (NPM1, NPM2) and ‘public governance’ (PG1, PG2) was no more stable or unstable in Finland than, on the average, in the three other countries of the UK, Italy and Austria (Table 3). However, during the period of thirty years under investigation, Finland’s government accounting has been conceptually more variegated than, on the average, in the three counterpart countries. Although positive public administration language (PA1) and positive new public management language (NPM1), taken together, predominated in Finland, this was only in the range of two thirds as opposed to an average of nine tenths over the comparator countries. Finland most differed with only a 29 per cent prevalence of NPM1 in the 1990s and during the first decade of the 2000s, as opposed to over one half in the other countries, on the average. This is particularly interesting given Finland’s close emulation of the UK in government accounting change (see the above Table 2). To use Pollitt’s (1995) expressions, in respect to NPM in Finland ‘justification by works’ has predominated over ‘justification by faith’ more than in the three other countries, on the average.

Table 3. about here

The analysis of Finland indicates a higher predominance of positive public governance language (PG1) over the three decades than, on the average, in the three other countries (Table 3). In the 1980s and the 1990s the prevalence of the PG1 words in Finland was approximately four times higher than in the three other countries on the average, while during the first decade of the 2000s Finland was no more in a double lead. Finland also stands out with a higher prevalence than, on the average, the three other countries with words carrying negative loadings (PA2, NPM2 and PG2). In seven of the nine cases of words with negative loadings during the three decades Finland leads with two thirds or more, in one case Finland's lead is only a double one (PG2 during the first decade of the 2000s), and only in one case Finland hardly leads at all (NPM2 in the 1990s).

3.2 Conceptual changes with sedimentation

The analysis of the institutional sedimentation that Hyndman et al. (2013) call 'conceptual layering' suggests a higher and resilient differentiation between the vocabularies under the three 'umbrella concepts' of PA, NPM and PG over the three decades in Finland than, on the average, in the three other countries (Table 4). Finland has not been turning more similar with the comparator countries during the three decades but rather more different at least in certain respects. Although some of the earlier differences have narrowed down (PA1/PG1 since the 1990s and PA2/NPM1 since the 2000s), certain others have persisted (PA1/NPM1 and PA1/NPM1/PG1 solidly, and NPM1/PG1 except for the 1990s). Further, among the three types of 'non-layering' (instantiations of PA1, NPM1 and PG1 alone), Finland was in the 2000s no more similar with the three comparator countries than it had been in the 1980s despite that it had shown tendencies in the 1990s of turning more similar with the others. Next, looking at the absolute numbers of co-occurrences between PA, NPM and PG and also acknowledging the stand-alone types (PA1, NPM1, PG1), we may conclude that Finland was turning nothing but more different from the others during the three decades in those respects. While in the first decade of the 2000s the number of 'PA1 alone' was of the same magnitude than in the three other countries, on the average, and the number of 'PG1 alone' was not remarkably higher, the number of incidences of 'NPM1 alone' was less than a seventh in Finland of the average over the three other countries. By the same first decade of the new millennium, in Finland the numbers of all types of co-occurrences with the presence of NPM1 had declined into only a fraction of the average over the three other countries. The reasonable persistence of empirical patterns in Finland over the three decades examined, both as such and in comparison with the three other countries, suggests the reasonably reliability of the coding carried out in this paper for the research material.

While the purposes and objectives of this paper do not drive aims actually to explain the empirical differences that have come up, from the viewpoint of neo-institutionalist research we may suggest that two remarkably different types of ‘loose coupling’ prevail in the four countries between legitimating ‘talk’ (and the possible legitimating ‘decisions’ to deliver ever more of the ‘talk’) on the one hand and ‘decisions’ with more binding consequences for measures in ‘practice’ possibly leading to ‘results’ on the other. In the UK, Italy and Austria, on the average, ‘talk’ was of ‘loose coupling’ with ‘decisions’ that ground practices, with comparatively more ‘talk’ than ‘decisions’. In Finland the ‘loose coupling’ comprises more parsimonious ‘talk’ if weighed against the considerable number of actual authoritative ‘decisions’ having grounding new ‘practices’ in government accounting during 1980–2009.

Table 4

4 From the analysis of change in conceptual orientations of government accounting towards the examination of contextualizing political and ideological and beyond

The purpose of this paper has been to analyze conceptual orientations and their changes in government accounting in Finland in 1980–2009, with comparisons to the three other countries of the UK, Italy and Austria examined in an earlier study (Hyndman et al., 2013). That predecessor study deserves merit for having offered the valuable comparative context utilized in the present research. In its empirical analysis this paper has followed Pollitt and Bouckaert (2011), Lodge and Gill (2011), Fattore et al. (2012) and Hyndman et al. (2013) while applying the ‘umbrella concepts’ of ‘public administration’ (PA), ‘new public management’ (NPM) and ‘public governance’ (PG).

While elaborating the approach of this paper in the respective section above it was indeed noted that the examination of conceptual change in government accounting building upon the categorization of vocabulary elements according to ‘umbrella concepts’ including those of ‘public administration’, ‘new public management’ and ‘public governance’ does not suffice alone (Pollitt & Bouckaert, 2011; Fattore et al., 2011; Hyndman et al., 2013; this paper). Therefore it was suggested that we should study the political ideological characteristics of the ‘umbrella concepts’, the actual uses of these concepts and the actual effects of the uses. A way identified to proceed comprises the examination of the ‘core’, ‘adjacent’ and ‘peripheral’ constituents of political ideologies (Freeden, 2008) that bear relevance for government accounting and its changes. Building upon Freedon (2008) and an adaptation of his approach by Turner (2008) Table 5 condenses the contents of a number of political ideologies.

Table 5 about here

Table 6 should be seen to comprise suggestions for possible working hypotheses to guide future research on relationships between the ‘umbrella concepts’ of PA, NPM and PG on the one hand and political ideologies and their constituents on the other. Finding correspondences between PA and German liberalism, NPM and neo-liberalism but also social liberalism and PG and both social liberalism and social democracy hardly evoke much wonder. The working hypotheses aim at driving empirical research that singles out characteristics corresponding those included in Table 6 and but also others falling under the ‘umbrella concepts’ of PA, NPM and PG in the research material utilized. Notably, Hyndman et al. (2013) took steps in the direction of enabling this while they collected a list of keywords that turned out to be important while they studied government accounting in the UK, Italy and Austria, and while carrying out this study it was also possible to assemble together an analogous list for possible future utilization.

Table 6 about here

In final conclusion, we see a path of inquiry opening before with a definite endlessness. We should see neither the constituents of the political ideologies nor the ideologies themselves, outlined above drawing upon the work of Freeden (2008) and Turner (2008), to comprise fixed ‘essences’ of any sorts. On the contrary, we should consider the constituents and the ideologies with the proper acknowledgment of the dynamic and changing contexts of their actual applications and their susceptibility to incessant historical transformation. We should not expect to come across with the ideologies and their applications in pure forms, either, but only find hybrids even in the best case. Any outline of any ideology should be understood only as an equivalent of an ideal type in Max Weber’s sense, devised only for the necessarily one-sided accentuation of those characteristics that contingently happen to bear decisive importance in the research effort that is in hand. Last, a key characteristic of political ideologies comprises what is called the ‘essential contestability’ of their characteristics and contents (Freeden, 2008); formations as they are of the political world, they are continuously molded in contests between various protagonists and opponents.

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Table 1 Characteristics of public administration, new public management and public governance

<i>Contents</i>	<i>PA (public administration)</i>	<i>NPM (new public management)</i>	<i>PG (public governance)</i>
Main ideas and arguments	Public administration (citizens)	Service provider/customer	Governance and market rules setting with stakeholders
	Professional differentiation	Integration of professional activities	Negotiation of values, meanings and relationships
	Professional practice by intra-jurisdiction professionals	Analytical appraisal by trans-jurisdictional management	Enablement skills: activation, orchestration, modulation
	Public administration a closed system	Public administration an open system	Public administration an "open-closed" system
	Constitutive role of legitimacy	Performance-driven legitimacy	Legitimacy through negotiated agreement and democratic accountability
	Objectives selected in accordance with political rationality	Objectives selected in accordance with economic and organizational rationality	Objectives selected in accordance with networking and negotiation between actors
	Neutral and objective administration, separated from politics and executing law	Politics sets strategy, managers pursue objectives	Administration interacting with its environment, consulting the stakeholders
Structures and systems	High differentiation, low integration	Modest differentiation, high integration	Integration of people, processes, structures, resources
	Incremental resource allocation	Non-incremental resource allocation	Inter-organizational and negotiated resource allocation
	Hierarchical bureaucratic control	Decentralized control	Inter-organizational control with differential scope and tightness
	Internal organization untied to objectives	Internal organization tied to objectives	External organization and network actors tied to negotiated objectives
	Formal procedures	Processes and results	Steering networks in societal policy sectors
	Formal evaluation, regulation	Efficiency and effectiveness evaluation	Governance, transparency, accountability, equity and sustainability
Accounting structures	Constrains spending and indicates budgetary compliance of operations	Orients behaviors towards goals	Answers stakeholders' needs

and systems	Obligations and cash accounting Financial and input indicators	Accrual accounting Performance and output indicators	Not specified Outcome, transparency and accountability indicators
	Budgetary accounting	Executive budgeting, accrual-based reporting, managerial controlling, performance measurement	Consolidated statements, social and sustainability reporting, stakeholders reporting
	Centralized data gathering, processing and use	Decentralized data gathering, processing and use; integrated accounting system	Data from different actors in networks, inter-organizational integration of information systems
	Finance Officer	Audit control/controller/ integrated management	Network manager: conductor, intermediary and facilitator

Source, Hyndman et al. (2013), with minor editing.

Table 2. Government accounting in Finland, 1980–2009, with comparisons to three other countries

<i>Item</i>	<i>Finland</i>	<i>UK, Italy, and Austria</i>
1980s		
Budgeting	<ul style="list-style-type: none"> Introduced earlier (1968): Planning-Program-Budgeting System (PPBS) with indicative macro-economic planning, medium-term fiscal planning, planning of key social policy sectors, and performance budgeting 1987: Net budgeting introduced in government borrowing 1987: Introduction of Parliament decisions on multi-year commitments to Government for expenditures during more than one fiscal year 1989: Act on Public Enterprises, removing these from the government budget and their employees from the civil service, but retaining Government responsibility for the enterprise commitments 	<ul style="list-style-type: none"> More NPM in Finland than in Italy and Austria and hardly less than in the UK
Financial Accounting	<ul style="list-style-type: none"> Combination of cash and obligations accounting 	<ul style="list-style-type: none"> Finland not fundamentally different from the comparator countries
Performance Management	<ul style="list-style-type: none"> See Budgeting above 	<ul style="list-style-type: none"> See Budgeting above
1990s		
Budgeting	<ul style="list-style-type: none"> 1990: MP budget initiative rights expanded to the entire budget instead of only line items 1991: Constitutional revision introducing Parliament prerogatives in respect to government acquisition or alienation of the controlling interest in important companies (later, included in the new 1999 Constitution) Early 1990s: Government dismantles the PPBS 1992 and since: Ever more elaborate efficiency-oriented norms on the acquisition and alienation of securities by Government By 1994: Performance steering, performance quasi-contracting and performance budgeting planned since 1987 fully implemented in relationships between the Ministries and their sector's agencies and offices; operational expenditures combined into one lump budget sum or only a few items 1990s: Most of the public enterprises under the 1989 Act turned into companies, some privatized fully or in part 	<ul style="list-style-type: none"> Finland carrying out NPM reforms only slightly later than the UK but earlier than Italy and Austria

Financial Accounting	<ul style="list-style-type: none"> • 1995: A constitutional revision gives Finland's inhabitants extended social rights that Government must provide for, importantly, basic income security (included also in the 1999 Constitution) • 1995: Revised constitutional articles prohibit extra-budgetary (sometimes also called 'off-budget') special funds (canceled in 1999) • 1998: Norms on an extended scope of net budgeting for government borrowing and interest payments, operational expenditures of agencies and offices, and government revenue from securities trading • 1998: Legislation providing for the eradication of accumulated budget deficits with the surplus of later fiscal years • 1999: Act on certified Auditors of Public Administration and Public Finances (first established with a statute in 1992) • 1999: New Constitution legitimates extended net budgeting, transfers of appropriations between fiscal years and multi-year budgeting • 1992: Legislation on the possibility of requiring an annual report from agencies and offices (compulsory since 1994) both on their cameral accounting and their performance accounting (supplemented in 1996 and later) • 1992 and since: Ever more elaborate norms on government accounting to render the "true and fair view" • A combination of cash and obligations accounting retained in external government accounting • 1994: Government Bookkeeping Board established • 1996: Legal obligation of each Ministry to render an annual report on its cameral accounting closure, its performance, its internal effectiveness and its program effectiveness (all these extended in later years) • 1997: Specification of the scope of accrual accounting (detailed in later years) and rules for translation between cash/obligations accounting and accrual accounting • 1997: The state legislated to comprise an accounting entity (the domain of the government budget); the consolidated accounts of the state also legislated • 1997 and since: Business accounting extended government-wide; cameral accounting and business accounting with mutual translatability run side by side 	<ul style="list-style-type: none"> • Finland more cautious than the UK, which Finland continues to resemble • Finland an earlier reformer than either Italy or Austria, although the latter has introduced similar reforms later
Performance Management	<ul style="list-style-type: none"> • 1992: Extended norms on performance management • 1996: More explicit norms on operational accounting in agencies and offices 	<ul style="list-style-type: none"> • See Budgeting above

(elaborated later in the 1990s and the 2000s)

2000s		
Budgeting	<ul style="list-style-type: none"> • Annual government budget mixes accrual, modified accrual, cash, obligations and other principles; norms to apply any of these passed on a pragmatic basis derived from the ends of financial management and accounting • 2000: Net budgeting expands to national government grants to local governments and national government pensions • 2000: Norms instituting binding budget frames for the Ministries; devised by the Ministry of Finance and confirmed by Government • 2000: State Audit Office is moved from the sector of the Ministry of Finance to be an institution affiliated to Parliament • 2007: Parliamentary Auditors discontinued and replaced with the Audit Committee • Turn of the 2000s and 2010s: all but two of the remaining public enterprises under the Public Enterprise Act turned into companies 	<ul style="list-style-type: none"> • Finland cautious in comparison with the UK, which Finland continues to resemble • Finland an earlier and faster reformer than either Italy and Austria, although Austria catches up
Financial Accounting	<ul style="list-style-type: none"> • Government external cameral accounting and external business accounting continue to coexist; both frequently supplemented and their mutual translatability elaborated • 2003: Financial accounting notably expands beyond its conventional scope with “whole-of-government accounting” (covering the finances included in the government budget, with cameral, business and “societal effectiveness” aspects), reporting to Parliament • 2003: Requirements of the “true and fair view” introduced for the whole-of-government accounts and the accounts of the Ministries for their sectors of administration and for individual agencies and offices • 2003: Each Ministry made accountable for its budget execution, its operational efficiency and societal effectiveness in its sector • 2004: Besides cameral budget accounting and government business accounting, government commitment accounting (on multi-year commitments decided by Parliament) accentuated • 2004: More explicit norms on the annual government accounting closure and the annual report of each Ministry on its sector and each agency and office on its budget execution (all these monitored with cameral accounting), performance, societal effectiveness, human resource management, and service quality 	<ul style="list-style-type: none"> • In important respects similar or resembling changes in Finland as in the UK

Performance Management

- 2000 and since: Internal control functions in agencies and offices strengthened, both in respect to compliance and performance
 - 2003: State Controller function established in the Ministry of Finance for quality assurance of accounting, internal control and policy evaluation, and a network of controllers set up over all Ministries
 - 2003/2004 (amended in 2009): Each Ministry made obliged to confirm, after Parliament decision on the budget for a fiscal year, the sector objectives for societal effectiveness and for the operational efficiency of agencies and offices
 - 2004: Extended norms on performance accounting in agencies and offices
 - 2009: Ministries, agencies and offices obliged to plan societal effectiveness and operational performance on a multi-year basis; also new norms on multi-year planning of operations and finances of Ministries, agencies and offices
- Finland continuously resembling the UK in the content of changes
 - Austria proceeding in resembling directions as the UK and Finland, Italy advancing more cautiously

For Finland, the source comprises the analysis in this study; for the three other countries, the source is Hyndman et al. (2013).

Table 3

Conceptual emphases of government accounting and budgeting in Finland and in three comparison countries, 1980-2009

	<i>PA1</i>	<i>PA2</i>	<i>NPM1</i>	<i>NPM2</i>	<i>PG1</i>	<i>PG2</i>	<i>Total</i>
1980s							
Average over the UK, Italy and Austria	48.5%	1.5%	44.2%	1.6%	3.9%	0.3%	100%
	(443)	(12)	(287)	(16)	(36)	(3)	(797)
Finland	33.6%	8.9%	31.7%	6.9%	17.7%	1.2%	100%
	(421)	(111)	(397)	(87)	(221)	(14)	(1,251)
1990s							
Average over the UK, Italy and Austria	37.9%	1.8%	53.6%	1.5%	5.1%	0.2%	100%
	(1,200)	(71)	(517)	(27)	(197)	(5)	(2,017)
Finland	37.3%	9.9%	29.1%	1.8%	20.8%	1.0%	100%
	(825)	(218)	(644)	(46)	(460)	(23)	(2,216)
2000s							
Average over the UK, Italy and Austria	34.9%	1.7%	52.3%	1.0%	9.7%	0.3%	100%
	(1,712)	(96)	(2,750)	(56)	(479)	(14)	(5,125)
Finland	39.6%	5.9%	27.9%	5.3%	20.5%	0.7%	100%
	(1,419)	(212)	(999)	(191)	(731)	(24)	(3,576)

For Finland, the source comprises the analysis in this study; for the three other countries, the source is Hyndman et al. (2013). Note that the averages over the three countries are unweighted with the population, as the weighting would have practically deleted the influence of the results on Austria from the figures.

Table 4

Conceptual layering of government accounting and auditing in Finland and in three comparison countries, 1980–2009

	<i>PA1/NPM1</i>	<i>PA1/PG1</i>	<i>NPM1/PG1</i>	<i>PA1 alone</i>	<i>NPM1 alone</i>	<i>PG1 alone</i>	<i>PA1/NPM1/PG1</i>	<i>PA2/NPM1</i>
1980s								
Average over the UK, Italy and Austria	57.8% (87)	56.8% (18)	58.7% (11)	50.6% (221)	47.0% (84)	16.3% (11)	36.5% (6)	40.0% (5)
Finland	21.6% (49)	10.7% (12)	34.8% (39)	58.5% (133)	38.2% (228)	25.0% (28)	29.5% (33)	68.2% (30)
1990s								
Average over the UK, Italy and Austria	51.4% (421)	45.8% (79)	53.6% (96)	37.9% (382)	42.6% (543)	20.5% (24)	31.0% (45)	78.9% (54)
Finland	25.5% (74)	23.1% (43)	21.0% (39)	54.2% (182)	34.6% (101)	37.6% (70)	18.3% (34)	35.3% (42)
2000s								
Average over the UK, Italy and Austria	57.1% (601)	39.9% (160)	59.1% (250)	28.8% (325)	38.2% (826)	17.2% (72)	28.0% (112)	79.2% (70)
Finland	21.0% (78)	21.3% (64)	30.2% (91)	62.4% (328)	30.9% (115)	29.9% (90)	18.6% (56)	61.6% (32)

Sources as in Table 3. As in Table 3, also in this table the averages over the three countries are unweighted with the population. ‘Normalized counts’, explained in the methodology section, are represented with the per cent figures; under these the numbers indicate the actual quantity of the respective co-occurrences or sole occurrences.

Table 5

Core, adjacent and peripheral concepts in ideologies (Freeden, 2008; Turner, 2008)

<i>Contents</i>	<i>Classical liberalism</i>	<i>Utilitarian liberalism</i>	<i>Social liberalism</i>	<i>German liberalism</i>	<i>Neo-liberalism</i>	<i>Conservatism</i>	<i>Social democracy</i>
A representative author	Smith	Mill	T.H. Green	Kant	v. Hayek	Oakeshott	Marx
Free markets	C	A/P	P	NA	C	A	None
Minimization of the state	C	P	None	NA	A	A/P	None
Protection of liberties seen as natural	C	A	P	A	C	A	None
Liberty as such	A	C	A	A	A	P	P/A
Individualism	A	C	C	P	A/P	None	None
Nurture of the common good	None	P	C	A/P	None	P	A
Accentuation of social responsibility	None/P	A/P	C	NA	None/P	None/P	P/A
Limited and responsible power	None/P	P/A	C	P	P/A	P	None/P
Progress	A	C	C	A	P	None	A
Democracy	NA	A	A	NA	P	P	A/P
Equality of opportunity	A	A	A	NA	P	None/P	P
<i>Rechtstaat</i> , the 'legal state'	NA	NA	A/P	C	A	P	P
Rights and duties of the individual person	P	A	A/P	C	NA	P	P/None
Accentuation of law and reason	NA	NA	P	C	A	A/P	P/None
Protection of private property	P	P	P	P	C	A	None
Legitimate change rooted in the past	NA	NA	NA	None/P	A	C	None/P
Independence of social order of the human will	NA	NA	None	None	C	C	P/A
Comprises reaction to other ideologies	None/P	P	P	P/A	A	C	P
Accentuates human relationships	P/A	P	P/A	P/A	P	A/P	C
Human welfare a foremost objective	A	A	A	A/P	P	P/None	C
Human nature seen as active	A	A	A	A/P	P/A	P/None	C
Equality, formal or substantive	None/P	P/A	A	A	P/None	None	C
Historicism	None	P	P	P/A	P	A	C

Abbreviations: C, a core constituent of an ideology, A, an adjacent constituent, P, a peripheral constituent, NA, a constituent not applicable while considering the ideology in question.

Table 6

Relating characteristics of the ‘umbrella concepts’ examined with constituents of political ideologies

<i>Relevant characteristics of the ‘umbrella concepts’ examined in this paper</i>	<i>Classical liberalism</i>	<i>Utilitarian liberalism</i>	<i>Social liberalism</i>	<i>German liberalism</i>	<i>Neo-liberalism</i>	<i>Conservatism</i>	<i>Social democracy</i>
PA Public administration (citizens)	NA	P	P	A	P/NA	P	P
PA Neutral and objective administration, separated from politics and executing law	NA	P	P	A	P/A	P	P/NA
PA Formal procedures	NA	P	P	A/C	A	P	P/NA
NPM Performance-driven legitimacy	NA	P	P/A	P	P/A	P	P
NPM Objectives selected in accordance with economic and organizational rationality	P/A	P/A	P	P	A	P	P/A
NPM Politics sets strategy, managers pursue objectives	NA	P	A	P	A	P/A	A/P
NPM Efficiency and effectiveness evaluation	NA/P	P/A	A	P	A	P	A
NPM Accrual accounting	NA	NA	P	NA	A	P	NA
PG Governance and market rules setting with stakeholders	NA	NA	P/A	NA	A	P	A/P
PG Negotiation of values, meanings and relationships	NA	NA/P	P/A	NA	P	P	A/P
PG Legitimacy through negotiated agreement and democratic accountability	A	P	A	NA/P	P/NA	NA	A/P
PG Governance, transparency, accountability, equity and sustainability	NA	P	A	A	P	P	A
PG Outcome, transparency and accountability indicators	NA	NA/P	A	P/A	P/A	P	A
PG Consolidated statements, social and sustainability reporting, stakeholders reporting	NA	NA	A	P/NA	P/NA	P/NA	A

Sources on the political ideologies considered, Freeden, 2008; Turner, 2008; see also Table 5. Sources for the ‘umbrella concepts’, see Table 1. Abbreviations, PA, ‘public administration’, NPM, ‘new public management’, PG, ‘public governance’, C, a core constituent of an ideology, A, an adjacent constituent, P, a peripheral constituent, NA, a constituent not applicable while considering the ideology in question.